

I also believe we have to balance the budget. But I know we can do that and strengthen the trust fund without rolling back 30 years of progress against poverty and fear for older Americans. That's what my balanced budget will do. It will eliminate the deficit, secure the Medicare trust fund, and still protect older Americans from one penny in new Medicare costs. Times are tough enough without forcing families to pay more to keep the health care they have right now.

The congressional majority sees it differently. They are now willing to join me in shoring up the trust fund, but they want to do it in a way I don't agree with, that goes way too far, because they insist on such a huge tax cut that also make older couples pay \$5,600 more out of their pockets over the next few years. For people who don't have that kind of money, the message will be simple: Fend for yourselves. Many people just won't be able to do it.

As I said before, we often take for granted the security that comes from Medicare. But according to a new study by the Department of Health and Human Services, the congressional

majority would push 500,000—a half a million—older Americans into poverty by increasing the cost of health care. And these cuts would force their families to make choices between generations that no family should have to make.

We do need to protect Medicare from going bankrupt, but we don't have to bankrupt older Americans to do it. None of the cuts driving families into poverty would go into the trust fund. They would simply pay for a huge tax cut for people who don't really need it. That's unnecessary, and it's wrong. Medicare is too important to all families to become a piggy bank for tax cuts for just a few. It's especially important today because so many families are working harder and earning the same or less than they did 10 years ago.

For all Americans, Medicare must remain a source of certainty and security. For our parents, but also for our children, I pledge to do my part to keep Medicare strong.

Thanks for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Question-and-Answer Session With Senior Citizens on Medicare July 29, 1995

The President. Yes, Sarah [Sarah McClendon, McClendon News].

Q. What's your strategy? What's going to be the Democrats' strategy? We can't live with this present condition like this. We can't do it. People are dying every day because they don't have preventive health care. And what's going to be the strategy of the Democrats to overcome this?

The President. Well, first of all, we're going to try to win as many of the fights as we can as they come up. You know, yesterday we won a really important victory in the House of Representatives where, really, the first time since the new majority took over, over 50 Republicans bolted and voted to protect the environment, a very important issue in States like Florida and other States around the country. The House had a bill before it that would literally strip the Federal Government of its power to protect the environment. So that—and 50 Republicans

joined with almost all the Democrats and said, no, we're not going to do that.

So I think that we've got a chance now, a real chance to build a sensible, common-sense, common ground majority. And that's what we're going to try to do. I don't know that these Medicare cuts can pass the Congress. And I'm certainly going to do what I can to defeat them. That's our first strategy.

The second thing, to follow up on what you said, is that we believe that if we're going to slow the rate of growth in Medicare spending dramatically, without imposing great new costs on seniors and making the system work, we ought to take a little of that money we're going to save and put it into preventive care, to try to help people take care of their parents or their grandparents outside of institutions, outside of nursing home care. I think it would save money over the long run. It wouldn't cost a

lot of money to start, and we'd sure find out over the next 2 or 3 years.

And in my budget, we take some of that money to put into home health care. We've put some of that money into respite care for people with Alzheimer's. We do some other things with it, and we'll be able to monitor over the next 2 or 3 years whether it saves money or not. I think it will, and it doesn't have anything to do with stabilizing the trust fund. So that's our strategy.

And I'm encouraged by yesterday's vote on the environment that there may be some Republicans willing to brave the pressure, the enormous pressure they've been under to toe the line, to do what's right for America. So I'm encouraged.

Q. Mr. President—

Q. Larry, let's go do the discussion first and then we'll—

The President. Larry, what were you going to say?

Q. I'm sorry.

The President. I want to hear from all of you first, and then we'll take the press questions.

[At this point, Mayor Norman Abramowitz of Tamarac, FL, asked the President to continue the fight to protect Medicare and Medicaid and asked if he would address the concerns of the younger generation and their desire for change.]

The President. Well, you tell—first of all, tell them I won't give up the fight. We've just begun the fight. But I think, to be fair, the young people of our country are worried about their own future. And it's an amazing time in our country. We've got—just since I've been President, we've brought the deficit down, we've got 7 million new jobs, we've got a record high stock market, we've got a record number of new businesses. But a lot of people, including a lot of young people, are working harder for less. They feel more and more powerless. And so a lot of them think, well, maybe the answer is to turn against everything we've done in the past, turn against programs like Medicare, turn against the elderly, walk away from everything that's been done.

And the problem with that is, all they will do is make themselves and their parents and their own future worse. We have to properly analyze what's the matter, and we have to get the kind of change we want. We do need to raise incomes as well as create jobs, just like

we need to stabilize the Medicare trust fund. People are living longer and longer, so there are more people drawing Medicare. And the older you are, on balance, the more you use the health care system. So the cost per person goes up as people get over 80, let's say. But the answer is to fix it in a way that won't break it and that won't bankrupt the seniors of this country.

And I think it's—you know, I'm glad you mentioned Medicaid. A lot of people think Medicaid is exclusively a program for young, poor people on welfare. And two-thirds of Medicaid money goes to the elderly and disabled. That's what funds the parents of middle class America who have to go into nursing homes, for example. And if you look at the nature of the Medicaid cuts, we're going to see a lot of middle class Americans who will no longer be able to afford to send their kids to college because they'll be paying for their parents in nursing homes if they can afford to do that.

So, the answer—I think you ought to tell these young people, we are in a period of change. And we have to change our Government policies to be prepared for the 21st century. But the answer is to enable everybody to make the most of their own lives, not to pit one generation against another or one group of Americans against another. That is a dead loser for this country. That is a really foolish thing to do. It helps a lot of politicians win elections when they can pit people against one another, but it doesn't help the country much. And we have never progressed doing it. You look back in the whole history of America, we have never taken one step forward by pitting one group of Americans against another one, and we never will.

[A participant described a recent illness she suffered and explained that she had been very concerned that Medicare would not cover the expenses. She stated that she was fortunate that she had daughters to help provide care for her but that the average older person could not afford the expense of a serious illness and the nursing care required.]

The President. But you know, your story illustrates a point that the mayor just made. I mean, first of all, for about 10 years now, the elderly in our country have had a lower poverty rate than very young people. And that's a wonderful thing. And two things did it, the cost of living

on Social Security and Medicare. That's what did it.

Now, if we put another half a million older Americans in poverty with this program, is that going to lift any little children out of poverty? No. Is that going to help that young worker? No. All you're going to do is take more money out of the incomes of middle class working people who are working harder for less.

So the answer is to raise their incomes and increase their security. The answer is not to make this swap. And who would get the benefit of this, this tax cut? I want to emphasize again, this money is not necessary to fix the Medicare trust fund. They don't have to make this much savings.

And an enormous amount of this huge tax cut is going to people who don't even need it, and many of them, frankly, don't want it. Many of them do not want it. I've had a lot of upper income people tell me that they do not want—they want to balance the budget, take care of Medicare, invest in education, get this country going. So I—this is a battle we have to win.

Yes, ma'am. Go ahead.

[A participant described a letter the President sent her about Medicare.]

The President. Bless you.

Q. And I know you want it because you wouldn't have done it. You wouldn't have done this today. You didn't have to sit here.

The President. Thank you.

Go ahead.

[A participant stated that if Medicare and Medicaid were cut, a great number of disabled and elderly people would fall below the poverty line.]

Hillary Clinton. One of the concerns we have—and I think one of the reasons the President wanted to do this, to go back to Sarah's question, is there's a lot of misinformation out there. And I think, Mayor, that's what some of the young people are responding to. And we're now seeing ads being run that are trying to scare people and trying to say that, you know, if we don't do what the majority in Congress wants to do, then there won't be any Medicare—a lot of real scare tactics. And I think we have to get the information out to people.

For example, there's a difference, as you know, between Part A and Part B of Medicare. And what the President has proposed in his

budget will improve the Trust Fund. But the beneficiary cuts and the additional costs that the majority in Congress want older people to have to pay out of their own pockets have nothing to do with the Trust Fund.

The President. Nothing to do with the Trust Fund.

Mrs. Clinton. See, this is one of those shell games. Remember when you'd walk down the street and you'd see how fast people could do all that, and I never could figure it out—well, it's going on again. But it's going on in a much more serious way, trying to really keep the balls moving so fast that they think that they'll fool people, and not just fool older people but fool the children and grandchildren, so that people will think, well, all they're trying to do is to fix the Medicare Trust Fund, and so if people have to pay more—not remembering that 75 percent of the people on Medicare make less than \$25,000 a year—so where are they going to get the \$2,000, the \$5,000 to pay more? And it has nothing to do with the Part B cuts, with the Part A Trust Fund.

So that's one thing that we have to keep explaining to people. And I think the truth, as is often the case, is one of our most effective arguments.

The President. A lot of people, like a lot of young people, don't know. They'll see these ads, and they think, well, they're trying to fix the Trust Fund. But I just want to remind—look, we need to do a little history here. When—1993, when I gave the State of the Union Address and I became President, I said, look, we've got to fix the Trust Fund. In 1994, I said, we have to fix the Trust Fund. When I presented health care reform, I said, we have to fix the Trust Fund. A lot of these same people, now, who are alarmed about the Trust Fund said, "There's no real problem, there's no health care crisis, what's he talking about?"

Then when a report comes out this year and it shows we've actually improved things for the Trust Fund but we still have to fix it, they say, "Oh, we have to fix the Trust Fund, and that's why we need to load all these costs on the seniors." But the costs—I want to say again what the First Lady said—the costs being loaded on the individual seniors do not go against the Trust Fund. They're being used to finance an excessively large tax cut and to balance the budget at the arbitrary date of 7 years.

And, you know, it is just not fair. I have never seen a time when the seniors of this country were not willing to bear their fair share, were not willing to make their own contributions. You know as well as I do, modest changes have been made in Medicare and Social Security over the years. That's not what this is about. This is about just what Mr. Flemming said; it's about taking the heart out of this program, to drastically change the way the Government's priorities are. And it is wrong. And you and your children, your grandchildren, in some cases your great-grandchildren, you've got to stand up against it.

[A participant stated that she resented claims that the President and the Vice President were scaring older people.]

The President. I'm not trying to scare anybody. But I am trying to arouse—

Q. I'm defending you—

The President. I am trying to arouse the citizens of this country. I've seen scare tactics. I've had them used against me and what I was trying to do. I saw a couple hundred million dollars worth of scare tactics last year when I was trying to secure your health care future. So I know all about scare tactics. I'm not trying to scare you, but I think it's wrong for people to go around with this little plan to mess with your Medicare and try to keep the details of it secret until the 11th hour, then pop it through and have it all gone. And I think we need to—this is like a covey of quail. We need to flush it—[laughter]—get it out there and see what's going on here.

Go ahead, what were you going to say, ma'am?

[A participant said that she was concerned that Medicare cuts could affect the number of older women who get mammograms.]

Mrs. Clinton. Well, I'm glad you raised that because we've got the experts back there who run this program, and we know that one of the barriers to older women getting regular mammograms is cost. And if we make the cost of Medicare even more expensive for older people in general, but particularly women, then the preventive health care that they need—which will save us all money if people take care of themselves and get those tests—will be lost as well.

And I want to say one other thing because I think this is part of the—sort of the scare tactics as well that are being used. A lot of people say, "Well, families should take care of each other and families should be there for each other and the Government shouldn't do it." The majority leader has said, you know, he doesn't want any part of Medicare; it shouldn't be a program in any free country, and everybody should take care of themselves.

Well, I think everybody in this room certainly and most people I know around the country do everything they can to help their parents. Your daughters came to take care of you, and you're grateful that they could. And we will continue to do that, financially, emotionally, in every way we can. But there are two, I think, realities we have to look at. There are a lot of older people who don't have those children and those grandchildren. There are a lot of older people who have outlived their children, who don't live anywhere near their children or their grandchildren, who are in no position to be able to get any help. What we are going to do with them, particularly all these older women who are on their own?

And the second thing is that because a lot of young people are struggling very hard for themselves I have no doubt they would make the sacrifice if they had to, but with the cost of medical care, my goodness, we will drive more young people into poverty if they have to spend all of their assets to try to help take care of their parents and their grandparents. That's why what we're talking about here is something that doesn't just affect older Americans. It affects every single American, no matter what our age. And I hope that people will understand that more.

[A participant suggested that the President should express his plan to reform Medicare very clearly to avoid confusion about the differences between his proposal and the Republican proposal.]

The President. That's what the First Lady said. These personal costs that are going to be loaded on the individual seniors under their plan do not make a contribution to stabilizing the Trust Fund. They are not necessary to stabilize the Trust Fund, and we don't have to do it.

I know we've got to break up. We'll hear from one more person.

[A participant expressed concern about the impact on minorities living in poverty if Medicaid were no longer an entitlement, especially in view of cutbacks in assistance at the local level.]

The President. It's a mistake. Let me just say this. Just look at the—you know, of course, the main Medicaid benefit to seniors is nursing home care. And you know, most States have more people in nursing homes under Medicaid than Medicare, way more.

But let's just talk about the next generation. Let's talk about the children. We've all got a big stake in seeing how well they do. Medicaid is the program that provides health insurance to really poor children in this country. Now, you tell me what's going to happen if you block-grant Medicaid and you don't require the States to come up with their portion. And the next time the State legislature meets in Florida—let's take Florida, a State I know quite a bit about. You know, Hillary and I have—her family live there, two of her brothers. Let's just take Florida. And it's a fast-growing State. And they come in and we have a legislature, and the people say, we don't have enough money for the schools. And they're telling the truth, because it's fast-growing. And then they say, we've got all these new communities, and we don't have enough money for the water systems we need or the sewer systems we need. And they'll be telling the truth. Or we don't have enough money for the road systems we need. And they'll be telling the truth.

Now, then let's say the seniors have a strong enough lobby to come in and save the money for the nursing homes. What happens? They'll cut off all the aid to the poor children. And then what happens if you take the health care away from the poor children? Then all of us will be paying for them when they're either really sick or they don't develop mentally and physically as they should 5, 10, 15 years down the road.

This is not a good idea. This is a bad idea. Not all change is good. We've got to have the right kind of change. And you're absolutely right. And I hope you will fight for it. And I will fight for it. And we just need to tell the American people about it. We can prevail.

Thank you. You guys have been great.

Q. Mr. President, just to give you a chance to respond to, undoubtedly, what the Republican response will be. They say that you have

not offered a really detailed proposal of your own for changes with Medicare—

The President. Have they? Have they? What I have done—I have done what's important. I have said, we are not going to accept the beneficiary increases that they are. I have said that we can fix the Medicare Trust Fund without requiring the kind of cost increases on these folks that they are recommending to pay for their tax cut. That is a huge change.

Secondly, I have said that we don't have to do as much on the provider side into the health care system as they want to do, because I want to balance the budget in 10 years instead of 7. So, any set of options I adopt, they will have to adopt more severe options, which is why they want to go into the August recess with their plan a secret and why they allegedly apparently have plans to come back here and drop this thing out right before the fiscal year begins and allow about 2 days debate on it and then roll it through.

Now, I have proved—when I had responsibility for the budget, I did that. We made the Medicare Trust Fund better, with no help, I might add, from them. Not a single vote. We made it better. They denied that there was a problem with the Trust Fund. Then when they won the majority in the Congress, what happened? All of a sudden they discovered this problem in the Trust Fund, and they used it as a pretext to raise costs on Medicare beneficiaries so much so they could pay for the big tax cut they promised and meet the 7-year balanced budget deadline they promised.

If you want to talk about—am I willing to work with them on Medicare reform to fix the Medicare Trust Fund? Absolutely, I am. Why did I present a balanced budget and alternative? So I could reach out my hand in good faith to work with them. So far that has not been an option. So far they have been proceeding down their own course. All I'm saying is, I am serving notice that I will not support what they are attempting to do to the seniors.

Now, we can fix the Medicare Trust Fund. It doesn't have anything to do with what we've been talking about here today.

NOTE: The President spoke at 10:12 a.m. in the Oval Office at the White House. In his remarks, he referred to Arthur Flemming, chair, Save Our Security.